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9 Attorneys for L. Dwain Hoover and Beva Hoover;

10 D. Hoover & Associates Investments, Inc.; and

11 D. Hoover & Associates Investments, Inc. Retirement Trust

12  
13 **IN THE UNITED STATES BANKRUPTCY COURT**

14 **FOR THE DISTRICT OF ARIZONA**

15 In re:

16 BAPTIST FOUNDATION OF ARIZONA,  
17 INC., an Arizona nonprofit 501(c)(3)  
18 corporation, et al.,

19 and

20 ARIZONA SOUTHERN BAPTIST NEW  
21 CHURCH VENTURES, INC.

22 Debtors.

Chapter 11 Proceedings

Case Nos. 99-13275-ECF-GBN through  
99-13364-ECF-GBN

All Cases Jointly Administered Under  
Case No. 99-13275

**OBJECTIONS TO CONFIRMATION  
BY THE HOOVER PARTIES**

23 D. Hoover & Associates Investments, Inc., PLNTS, and L. Dwain and Beva Hoover,  
24 (hereinafter "Hoover"), by their attorneys Hebert, Schenk & Johnsen, P.C., hereby objection to  
25 confirmation of the Debtors' Plan. This objection is based upon the following:

26 1. Section 7.1.7 of the proposed Plan of Reorganization purports to, as a matter of  
27 confirmation, disallow any and all indemnification or contribution claims under Section 502(e) of  
28 the Bankruptcy Code. The provisions of Section 7.1.7 are not in conformance with Section 502(e)  
of the Bankruptcy Code and as a result, the Plan fails to comply with the applicable provisions of  
Title 11.

2. L. Dwain Hoover and Beva Hoover has an indemnity claim and have incurred  
expenses up to this date, of in excess of \$200,000 and have filed a proof of claim for their  
indemnity claim.

3. The Hoover parties object to any substantive consolidation of the Debtors unless

1 said substantive consolidation is not intended to effect any legal rights of the Hoovers with regard  
2 to any of their claims against the Debtors and with regard to any litigation which is presently  
3 pending or which may be brought relating to any of the Hoover parties' relationships with any of  
4 the Baptist Foundation entities.

5 4. The Plan fails to meet the best interests of creditors' test. By reason of the  
6 proposed substantive consolidation, the Plan as a practical matter, provides that intercompany  
7 claims are offset against each other, in some cases leaving no distribution for unsecured creditors.  
8 In a Chapter 7, Hoover would have the ability to seek subordination of such intercompany claims  
9 and if such subordination were successful, be entitled to a distribution. As a result, the Plan fails  
10 to meet the best interests of creditors' test.

11 WHEREFORE, the Hoover parties hereby object to the confirmation of the Debtors' Plan  
12 on the basis set forth herein, and hereby join in the objections filed by Harold Friend, et al.

13  
14 DATED this 7<sup>th</sup> day of November, 2000.

15  
16 HEBERT, SCHENK & JOHNSEN, P.C.

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18 By /s/ John J. Hebert - 010633

19 John J. Hebert  
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21 Missouri Commons Suite 125  
22 Phoenix, Arizona 85014  
23 Attorneys for Defendants L. Dwain Hoover and  
24 Beva Hoover; D. Hoover & Associates  
25 Investments, Inc.; and D. Hoover & Associates  
26 Investments, Inc. Retirement Trust  
27  
28

1 **COPY** of the foregoing transmitted via  
2 mail or via facsimile if marked\* or via e-mail if  
marked\*\* this 7<sup>th</sup> day of November, 2000, to:

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4 Office of the U.S. Trustee  
P.O. Box 36170  
5 Phoenix, Arizona 85067-6170

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15  
16 /s/ Tricia Nottleman  
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